

SUMMARY ANALYSIS OF AMENDED BILL

Franchise Tax Board

Author: Briggs Analyst: Roger Lackey Bill Number: AB 641

Related Bills: See Prior Analysis Telephone: 845-3627 Amended Date: 05-30-2001

Attorney: Patrick Kusiak Sponsor: _____

SUBJECT: Targeted Tax Area/Approve Expansion Of No More Than 15%

- ☒ DEPARTMENT AMENDMENTS ACCEPTED. Amendments reflect suggestions of previous analysis of bill as amended April 16, 2001.
- ☐ AMENDMENTS IMPACT REVENUE. A new revenue estimate is provided.
- ☐ AMENDMENTS DID NOT RESOLVE THE DEPARTMENT'S CONCERNS stated in the previous analysis of bill as introduced/amended _____.
- ☐ FURTHER AMENDMENTS NECESSARY.
- ☐ DEPARTMENT POSITION CHANGED TO _____.
- ☒ REMAINDER OF PREVIOUS ANALYSIS OF BILL AS AMENDED April 16, 2001, STILL APPLIES.
- ☐ OTHER - See comments below.

SUMMARY

This bill would:

- Expand a Targeted Tax Area (TTA) by no more than 15%.
- Add agricultural services and business services to the list of trades or businesses that may claim TTA tax incentives.
- Amend the TTA hiring credit to reference the Workforce Investment Act of 1998.

This analysis will not address the bill's provision regarding government contracts that would be performed within a TTA.

SUMMARY OF AMENDMENTS

The May 30, 2001, amendments incorporated the language drafted by the department at the author's request. Specifically the amendments:

- Clarified that the election allowed under this bill is irrevocable, except with the consent of the Franchise Tax Board.
- Clarified that the 25% business income attributable to sources in this state would be apportioned using the general apportionment rules.
- Substituted "including but not limited to" for the phrase "such as."
- Revised a subdivision reference.

Board Position:

☐ S ☐ NA ☐ NP
☐ SA ☐ O ☐ NAR
☐ N ☐ OUA ☒ PENDING

Legislative Director

Date

Brian Putler

06/11/01

As a result, the implementation and technical considerations discussed in the department's analysis of the bill as amended April 16, 2001, have been resolved. The remainder of the department's earlier analysis still applies.

POSITION

Pending.

LEGISLATIVE STAFF CONTACT

Roger Lackey
Franchise Tax Board
845-3627

Brian Putler
Franchise Tax Board
845-6333